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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



**DARLENE GREEN**  
Comptroller

***Internal Audit Section***

**DR. KENNETH M. STONE, CPA**  
Internal Audit Executive

Carnahan Courthouse Building  
1114 Market St., Room 642  
St. Louis, Missouri 63101  
(314) 622-4723  
Fax: (314) 613-3004

September 23, 2008

Meg Schnabel, Executive Director  
Redevelopment Opportunities for Women  
2229 Pine  
St. Louis, MO 63103

RE: Review of Redevelopment Opportunities for Women, Federal Emergency Shelter  
Grant (FESG), Document #55747, CFDA #14.231 (Project #2008-HOM7)

Dear Ms. Schnabel:

Enclosed is a report of our fiscal monitoring review of Redevelopment Opportunities for Women, FESG Program, for the period January 1, 2007 through December 31, 2007. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Redevelopment Opportunities for Women. Our fieldwork was completed on January 29, 2008.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for Professional Practice of the Internal Auditing* and through an agreement with the Department of Human Services (DHS) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

A handwritten signature in cursive script that reads "Kenneth M. Stone".

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Patrick Brennan, Fiscal Manager, DHS  
Antoinette Triplett, Program Manager II, DHS



# CITY OF ST. LOUIS

*DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES*

*REDEVELOPMENT OPPORTUNITIES FOR WOMEN  
FEDERAL EMERGENCY SHELTER GRANT (FESG)  
DOCUMENT #55747  
CFDA #14.231*

*FISCAL MONITORING REVIEW  
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007*

*PROJECT #2008-HOM7*

*DATE ISSUED: SEPTEMBER 23, 2008*

*Prepared by:  
The Internal Audit Section*



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES  
REDEVELOPMENT OPPORTUNITIES FOR WOMEN  
FISCAL MONITORING REVIEW  
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007**

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DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES  
REDEVELOPMENT OPPORTUNITIES FOR WOMEN  
FISCAL MONITORING REVIEW  
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007**

**INTRODUCTION**

**Background**

**Contract Name:** Redevelopment Opportunities for Women

**Document Number:** 55747

**CFDA Number:** 14.231

**Contract Period:** January 1, 2007 through December 31, 2007

**Contract Amount:** \$57,000

This contract provided Federal Emergency Shelter Grant (FESG) from the Department of Housing and Urban Development (HUD), to Redevelopment Opportunities for Women (Agency) to provide supportive services to women who are homeless or at risk of becoming homeless.

**Purpose**

The purpose of this fiscal monitoring review was to determine Agency's compliance with federal, state and local Department of Human Services (DHS) requirements for the period January 1, 2007 through December 31, 2007 and make recommendations for improvements as necessary.

**Scope and Methodology**

We made inquiries regarding the Agency's internal controls relating to the grant administered by DHS, tested evidence supporting the reports the Agency submitted to DHS and performed other procedures considered necessary. Our fieldwork was completed on January 29, 2008.

**Exit Conference**

We offered the Agency the opportunity for an exit conference on January 1, 2008 but the Agency declined.

**Management's Responses**

Management's responses were received on May 19, 2008 and have been incorporated into this report.

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**SUMMARY OF OBSERVATIONS**

**Conclusion**

The Agency did not fully comply with federal (including OMB Circular A-133), state and local DHS requirements.

**Status of Prior Observations**

The Agency's most recent fiscal monitoring report dated December 29, 2006 identified the following observations:

1. The Agency did not submit monthly financial reports in a timely manner. **(Unresolved, see Current Observation #1)**
2. The Agency does not require two authorized signatures on checks. **(Unresolved, see Current Observation #2)**
3. Inadequate business insurance. **(Resolved)**

**A-133 Status**

According to a letter received from the Agency's management dated August 18, 2007, the Agency was not required to have an A-133 audit for the period ending June 30, 2007 because it did not expend \$500,000 or more in federal funds.

**Summary of Current Observations**

We made recommendations for the following observations, which if implemented, could assist the Agency in fully complying with federal, state, and local DHS requirements.

1. The Agency did not submit monthly financial reports in a timely manner
2. The Agency does not require two authorized signatures on checks.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS,  
AND MANAGEMENT'S RESPONSES**

**1. The Agency Did Not Submit Monthly Financial Reports in a Timely Manner**

The DHS policy guidelines require the Agency to submit monthly financial reports by the 15<sup>th</sup> day of the month following the reporting month.

The Agency's monthly financial reports for July, August and September 2007 were submitted late. They were submitted on October 15, 2007. These reports should have been submitted by the 15<sup>th</sup> of August, September and October 2007.

By submitting the monthly financial reports late, the agency is not in compliance with the DHS Policy Guidelines. The non-compliance with the DHS policy guidelines may delay the Agency's reimbursements or result in the suspension of the grant funding.

**Recommendation**

We recommend the Agency to comply with DHS requirements and submit financial reports by the deadline.

**Management's Response**

*The contract is received incredibly late in the year. As a result, many of our invoices are submitted late. Once we have our signed contract, our Agency will submit monthly financial reports by the 15<sup>th</sup> of every month.*

**2. The Agency Did Not Require Two Authorized Signatures on Checks**

DHS policy guidelines require the Agency to have two authorized personnel sign all the checks.

The Agency did not require two authorized signatures on the checks.

Funds may be spent improperly or misappropriated when only one individual signs disbursement checks.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS,  
AND MANAGEMENT'S RESPONSES**

**2. Continued ...**

**Recommendation**

We recommend the Agency comply with DHS policy guidelines and require two authorized signatures for all checks. The Agency may also request a waiver from DHS.

**Management's response**

*We have requested a waiver on this policy in 2006. We do require two signatures on all checks over \$10,000. We do not, currently, have the internal management staff to comply. A detailed expense ledger is provided to and reviewed by the finance committee on a monthly basis. It is also made available at monthly board meetings.*